

Message Text

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PAGE 01 BANGKO 03590 01 OF 02 041758Z

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ACTION SS-30

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O P 041625Z MAR 74

FM AMEMBASSY BANGKOK

TO AMEMBASSY JAKARTA IMMEDIATE NIACT

INFO SECSTATE WASHDC PRIORITY 1148

S E C R E T SECTION 1 OF 2 SECTIONS BANGKOK 3590

EXDIS

JAKARTA FOR DEPUTY SECRETARY RUSH FROM KINTNER

E.O. 11652: GDS

TAGS : OVIP, PINT, PGOV, ECON, ETRD, (RUSH), TH

SUBJECT : TALKING POINTS FOR DEPUTY SECRETARY

1. I HAVE LOOKED FORWARD TO YOUR TRIP AS A MEANS OF RE-ASSURING THE THAI OF THE STEADFASTNESS OF THE US PARTNERSHIP AT THIS PARTICULAR TIME OF POLITICAL AND ECONOMIC CHANGE IN THAILAND. WE ARE UNFORTUNATELY UNABLE TO BE AS FORTHCOMING AS WE HAD HOPED ON SPECIFIC ECONOMIC ISSUES THAT THE FOREIGN MINISTER BROACHED DURING ASSISTANT SECRETARY INGERSOLL'S VISIT. THE FOREIGN MINISTER PLANS TO RAISE THESE POINTS DURING YOUR CALL ON HIM AT 1030 MARCH 6. OUR ANSWERS WILL SEEM SLIM TO THE THAI, BUT DURING YOUR TALKS YOU SHOULD BE AS FORTHCOMING AS POSSIBLE WITHOUT AT THE SAME TIME RAISING FALSE EXPECTATIONS WHICH WOULD RETURN TO HAUNT US LATER. AS OLD FRIENDS, WHO HAVE A COMPLEX AND ENTWINED RELATIONSHIP, WE OWE IT TO THE RTG TO SPEAK HONESTLY ABOUT OUR PROBLEMS IN SUPPORTING THEIR NEEDS. WE ARE NOT TOTALLY REJECTING THEIR INTERESTS; WE SHOULD STRESS THAT WE SHARE THEIR DESIRE FOR CLOSER ECONOMIC RELATIONS AND WILL BE ALERT FOR OPPORTUNITIES TO BRING THIS ABOUT.

2. YOU MAY WISH TO BEGIN THE DISCUSSION IN THE FOREIGN

SECRET

SECRET

PAGE 02 BANGKO 03590 01 OF 02 041758Z

MINISTRY WITH TALKING POINTS DRAWN FROM PARAGRAPHS ONE,

TWO AND FOUR OF THE "REGIONAL AFFAIRS" SECTION OF TAB D IN THE BANGKOK BRIEFING BOOK POUCHED TO JAKARTA (BANGKOK 3364). THEN FOLLOW ON TO THE "WORLD ENVIRONMENT AND THAI ECONOMIC PROSPECTS" SECTION, SOLICITING THAI ATTITUDES TOWARD ENCOURAGING BOTH DOMESTIC AND FOREIGN INVESTMENT. IN ADDITION TO THE TALKING POINTS IN TABS C AND D OF THE BRIEFING BOOK, I OFFER THE FOLLOWING DETAILED RESPONSES.

3. REGIONALISM. THE FOREIGN MINISTER MAY ASK YOU FOR AN ASSESSMENT OF REGIONAL DEVELOPMENTS. YOU MAY WISH TO RESPOND THAT:

---THE UNITED STATES SHARES THE STRESS IN THE FOREIGN MINISTER'S SPEECH OF JANUARY 16 ON REGIONAL COOPERATION. YOU MIGHT POINT OUT THAT YOU GAVE A SPEECH JANUARY 21 BEFORE THE CLEVELAND COUNCIL OF FOREIGN RELATIONS IN WHICH YOU EXPRESSED SUPPORT FOR "GROWING REGIONAL CO-OPERATION IN SOUTHEAST ASIA."

---THE ANZUS CONFERENCE, WHICH YOU RECENTLY ATTENDED, WAS ANOTHER US ENDORSEMENT FOR REGIONAL COOPERATION IN A VARIETY OF FIELDS.

4. MILITARY CONSULTATION. THE FOREIGN MINISTER MAY REQUEST THAT WE CONSULT WITH THE MINISTRY OF FOREIGN AFFAIRS (MFA) ON OUR MID AND LONG-RANGE PLANS CONCERNING THE US MILITARY PRESENCE IN THAILAND. THE REQUEST STEMS FROM A GOVERNMENT DESIRE TO GET AHEAD OF PUBLIC PRESSURES, AND GIVE THE RTG A CAPACITY FOR LONG RANGE ECONOMIC AND SOCIAL PROGRAM PLANNING. MFA HAS ITS OWN PAROCHIAL INTERESTS IN INCREASING ITS CONSULTING ROLE. WE SUGGEST THAT YOU RESPOND THAT:

--ONE OF YOUR OBJECTIVES IN THIS VISIT IS TO ASSURE THE RTG OF OUR WILLINGNESS, IN COOPERATION WITH THE SANYA GOVERNMENT, TO ADAPT OUR RELATIONSHIP TO CHANGING CONDITIONS IN THAILAND AND SOUTHEAST ASIA. WE DEEPLY
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PAGE 03 BANGKO 03590 01 OF 02 041758Z

APPRECIATE THAILAND'S LONG COOPERATION IN OUR MUTUAL EFFORTS TO ACHIEVE STABILITY IN INDOCHINA.

--WE ARE SENSITIVE TO RTG CONCERNS OVER CURRENT AND POTENTIAL PRESSURES FOR MAJOR REDUCTIONS IN US MILITARY FORCE LEVELS.

--WITH THE CONTINUING UNCERTAINTY OF HANOI'S INTENTIONS

WE VIEW OUR MILITARY FORCES IN THAILAND AS AN IMPORTANT
DETERRENT. WE, THEREFORE, WISH TO AVOID ANY ACTIONS
THAT HANOI MIGHT INTERPRET AS A DISMANTLING OF THAT DETERRENT.

--WE WILL CONTINUE TO SHARE WITH YOUR GOVERNMENT OUR
ASSESSMENT OF THE SITUATION IN INDOCHINA. DEPENDING ON
DEVELOPMENTS DURING THE CURRENT DRY SEASON IN INDOCHINA, WE
EXPECT TO PROPOSE SOME SUBSTANTIAL REDUCTION IN U.S. AIR FORCE
UNITS THIS SPRING OR SUMMER, AS WELL AS REDUCTIONS IN HEADQUARTERS
AND SUPPORT PERSONNEL. HOWEVER, WE WILL WISH TO HAVE THE
AGREEMENT OF YOUR GOVERNMENT TO RETAIN A SIGNIFICANT AIR STRIKE
CAPABILITY IN THAILAND ALSO FOR THE NEXT DRY SEASON.

5. ASSISTANCE IN LOCATING INCREASED FERTILIZER SUPPLIES.
THE FOREIGN MINISTER MAY REFER TO HIS PREVIOUS REQUEST
FOR ASSISTANCE IN OBTAINING AT LEAST 50,000 METRIC TONS
OF 20-10-0 FERTILIZER AT NO HIGHER THAN THE WORLD MARKET
PRICE. WE SUGGEST YOU SAY:

--FERTILIZER IS ALSO IN CRITICALLY SHORT SUPPLY IN
THE UNITED STATES (A ONE MILLION TON SHORTFALL THIS YEAR)
AND THERE IS CONGRESSIONAL PRESSURE TO BAN EXPORTS UNTIL
THE AMERICAN DOMESTIC SITUATION IMPROVES.

--A PRIVATE AMERICAN COMPANY HAS EXPRESSED INTEREST IN
A JOINT VENTURE TO BUILD A FERTILIZER PLANT IN THAILAND,
HOWEVER, AND TO SIGN A LONG TERM CONTRACT TO DELIVER
FERTILIZER TO THAILAND.

-- THIS JOINT VENTURE EXTENDS THE BEST POSSIBILITY FOR
ELIMINATING THAI SHORTAGES AND CONTRIBUTING TO LONG
RANGE ECONOMIC DEVELOPMENT. THAILAND MIGHT ALSO THEN
SECRET

SECRET

PAGE 04 BANGKO 03590 01 OF 02 041758Z

BECOME A FERTILIZER EXPORTER TO OTHER SOUTHEAST ASIAN
NATIONS, THUS ALSO CONTRIBUTING TO STRENGTHENED REGIONAL TIES.

6. INCREASED QUOTA FOR MANMADE FIBERS. AN ISSUE THE
THAI RAISED WITH ASSISTANT SECRETARY INGERSOLL WAS FOR A
LARGER QUOTA FROM THE BILATERAL NEGOTIATIONS SCHEDULED
FOR MAY 20 IN WASHINGTON. YOU MAY WISH TO RESPOND THAT:

-- WHILE WE CANNOT DISCLOSE OUR QUOTA INTENTIONS BEFORE
NEGOTIATIONS BEGIN, THE RAPID EXPANSION OF THAI EXPORTS
OF THIS ITEM TO THE US, THE GENERALLY HIGH DEMAND
FOR TEXTILES, AND PROFITABILITY OF THE US TEXTILE INDUSTRY
ARE ALL FAVORABLE TO THE THAI NEGOTIATIONS.

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PAGE 01 BANGKO 03590 02 OF 02 041926Z

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ACTION SS-30

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TO AMEMBASSY JAKARTA IMMEDIATE NIACT
INFO SECSTATE WASHDC PRIORITY 1149

S E C R E T SECTION 2 OF 2 SECTIONS BANGKOK 3590

EXDIS

JAKARTA FOR DEPUTY SECRETARY RUSH FROM KINTNER

7. INCREASE IN SUGAR QUOTA. THE THAI ALSO DISCUSSED
WITH DEPUTY ASSISTANT SECRETARY INGERSOLL THE POSSIBILITY
OF INCREASING THAILAND'S SUGAR QUOTA FROM JUST UNDER
20,000 TO 100,000 TONS PER YEAR. YOU MAY WISH TO RESPOND THAT:

--CONGRESS ESTABLISHES SUGAR IMPORT QUOTAS. THE
RELIABILITY OF PRODUCERS AND PREVIOUS ALLOCATIONS ARE
AMONG THE BASIS FOR THESE QUOTAS. THE DEPARTMENT OF
STATE AND AGRICULTURE TOOK THE POSITION BEFORE THE
HOUSE AGRICULTURAL COMMITTEE THAT THEY WOULD NOT ASK
FOR ANY QUOTA CHANGES AT THIS TIME.

--OTHER NATIONS ARE ALSO MAKING REPRESENTATIONS FOR
LARGER SUGAR QUOTAS AND, AS THE THAI MUST REALIZE,
COMPETITION IS KEEN.

--DESPITE THESE RESTRAINTS THERE MAY BE AN OPPORTUNITY
TO SEEK AN INCREASE IN THAILAND'S QUOTA PARTICULARLY
THROUGH A LOBBYING REPRESENTATIVE WHOM YOU UNDERSTAND THE
THAI EMBASSY IN WASHINGTON HAS ALREADY CONTRACTED FOR.

8. ASSISTANCE IN LOCATING DIESEL OIL SUPPLIES. THE THAI
SEEK TO ACQUIRE AT LEAST 100,000 TONS OF DIESEL FUEL AT
CONCESSIONAL PRICES. THE THAI HAVE RECENTLY PURCHASED

SECRET

SECRET

PAGE 02 BANGKO 03590 02 OF 02 041926Z

50,000 METRIC TONS FROM PEKING AT BELOW WORLD MARKET PRICES. THE FOREIGN MINISTER MENTIONED THAI INTEREST IN LOCATING DIESEL SUPPLIES TO ASSISTANT SECRETARY INGERSOLL. YOU MAY WISH TO RESPOND THAT:

--THE AMERICAN GOVERNMENT HAS CLOSELY FOLLOWED THE FINANCIAL AND SUPPLY PROBLEMS THE WORLDWIDE FUEL SHORTAGE HAS CAUSED. IT IS PARTICULARLY DISTRESSING THAT DEVELOPING COUNTRIES, SUCH AS THAILAND, ARE THE PRIME VICTIMS OF THE WORLD OIL CRISIS.

--AMERICAN DOMESTIC SHORTAGES AND CONGRESSIONAL RESTRICTIONS AGAINST PROVIDING POL TO THE INDOCHINA AREA FORECLOSE ANY SPECIAL ASSISTANCE IN PROVIDING DIESEL FUEL.

---THE LONG RANGE SOLUTION TO THIS PROBLEM IS A REASONABLE SOLUTION TO THE MIDDLE EAST SITUATION. BOTH DEVELOPED AND DEVELOPING NATIONS SUFFER IN THE PRESENT SITUATION. THE USG IS DOING WHAT IT CAN TO RETURN THE MIDDLE EAST TO SOME STATE OF NORMALITY.

9. INCREASE IN SCRAP IRON QUOTA. THE RTG BROACHED THIS REQUEST DURING DEPUTY ASSISTANT SECRETARY INGERSOLL'S VISIT. WE HAVE SUBSEQUENTLY SPOKEN TO RTG OFFICIALS ALONG THE FOLLOWING LINES:

--THE UNITED STATES IS EXPERIENCING ITS OWN SEVERE SHORTAGES AND FOR THAT REASON ADOPTED EXPORT CONTROLS. THE OUTLOOK FOR A LARGER ALLOCATION TO THAILAND IS BLEAK.

--THE RTG, AT THE EMBASSY'S REQUEST, IS PROVIDING ADDITIONAL STATISTICAL JUSTIFICATIONS TO SUPPORT ITS REQUESTED QUOTA INCREASE ABOVE THE PRESENT 14,800 TONS TO 100,000 TONS.

10. US STOCKPILE POLICY. THE FOREIGN MINISTRY MAY ALSO SOLICIT YOUR COMMENTS ON US STOCKPILE POLICY, WITH REFERENCE TO RUBBER AND TIN. PRICES FOR BOTH OF THESE COMMODITIES ARE AT HISTORIC PEAKS DESPITE US STOCKPILE RELEASES.

SECRET

SECRET

PAGE 03 BANGKO 03590 02 OF 02 041926Z

THE RTG IS PLEASED WITH THE PRESENT SITUATION. CHARUNPHAN'S OBJECTIVE IN RAISING THE ISSUE IS TO ASSURE THAT

THERE WILL BE ADEQUATE ADVANCE NOTICE ON FUTURE STOCKPILE RELEASE INITIATIVES. YOU MAY WISH TO RESPOND THAT:

YOU UNDERSTAND THAT THE HIGHER PRICES THAILAND RECEIVES FOR RUBBER AND TIN SOFTEN THE ECONOMIC DISLOCATIONS OF THE WORLD OIL SHORTAGE.

--YOU CAN ASSURE THE FOREIGN MINISTER THAT THE USG WILL MAKE EVERY EFFORT TO FULFILL THAILAND'S NEED-TO-KNOW.

11. PL 480 SALES. THE RTG IN THE PAST HAS SHOWN GREAT SENSITIVITY ABOUT OUR PL 480 RICE SALES, PARTICULARLY TO INDONESIA WHICH HAS BEEN A TRADITIONAL RICE EXPORT MARKET FOR THAILAND. THEY MAY ASK ABOUT OUR FUTURE POLICY EVEN THOUGH THAILAND IN 1974 IS ABLE TO SELL ALL THE RICE IT CAN PRODUCE AND AT FAVORABLE PRICES. YOU MAY WISH TO RESPOND THAT:

--PL 480 SALES TO INDONESIA WERE MADE IN RESPONSE TO VERY SPECIAL CIRCUMSTANCES IN THAT COUNTRY. CURRENTLY THE US IS MAKING PL 480 RICE SALES ONLY TO CAMBODIA AND VIETNAM. RICE IS IN VERY GREAT DEMAND ON THE WORLD MARKET AT HIGH PRICES, AND YOU CURRENTLY FORESEE NO INCREASE IN PL 480 RICE SALES.

12. SEATO. THE FOREIGN MINISTER, IN A TELEVISION INTERVIEW, REITERATED ON FEBRUARY 28 THE THAI SUPPORT FOR SEATO, CONTENDING THAT THE ORGANIZATION STILL HAD A VALID ROLE TO FILL IN ASSISTING THAILAND AND THE PHILIPPINES TO COMBAT INSURGENCY AND HELPING TO PROMOTE ECONOMIC PROGRESS IN THESE COUNTRIES.

--IF THE FOREIGN MINISTER REFERS TO HIS STATEMENT, I RECOMMEND THAT YOU INDICATE COGNIZANCE OF IT AND EXPRESS APPRECIATION FOR HIS VIEWS. AS YOU KNOW, CONTINUED U.S. MEMBERSHIP IN SEATO MAY BE IN FOR SOME "ROUGH SLEDDING" WITH THE SENATE FOREIGN RELATIONS COMMITTEE (SFRC) DURING THE MARCH 5-6 HEARINGS IN WASHINGTON.

SECRET

SECRET

PAGE 04 BANGKO 03590 02 OF 02 041926Z

SHOULD THE FOREIGN MINISTER INQUIRE AS TO THE HEARINGS, I RECOMMEND THAT YOU ADVISE HIM THAT THE DEPARTMENT DEFINITELY WILL ATTEMPT TO PERSUADE THE SFRC THAT SEATO STILL FILLS A ROLE IN PROMOTING STABILITY IN THE TREATY AREA BY POINTING OUT AMONG OTHER THINGS THAT THE ORGANIZATION'S FUNCTIONS AND ACTIVITIES HAVE BEEN ALTERED TO TAKE ACCOUNT OF THE CHANGING SITUATION IN SOUTHEAST ASIA.
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